

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The
Securities Exchange Act of 1934

Date of report (Date of earliest event reported) November 12, 2010

STAR GAS PARTNERS, L.P.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-14129
(Commission
File Number)

06-1437793
(IRS Employer
Identification No.)

2187 Atlantic Street, Stamford, CT
(Address of principal executive offices)

06902
(Zip Code)

Registrant's telephone number, including area code (203) 328-7310

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Effective as of November 8, 2010, Star Gas Partners, L.P., a Delaware limited partnership (the "Partnership," "we," "us" or "our"), entered into an agreement with Mr. Daniel P. Donovan pursuant to which Mr. Donovan will continue to be employed on an at-will basis with a compensation package to be in effect for three years following the date of the letter. If the Partnership terminates Mr. Donovan's employment for reasons other than cause, he will be entitled to one year's salary as severance.

The description of the agreement that is contained in this Form 8-K is qualified in its entirety to the text of the actual form of the agreement that is filed as an exhibit hereto.

Item 9.01(d) Exhibits

10.21 Agreement dated as of November 8, 2010 between the Registrant and Daniel P. Donovan

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

STAR GAS PARTNERS, L.P.

By: Kestrel Heat, LLC, its general partner

By: /s/ RICHARD F. AMBURY
Name: **Richard F. Ambury**
Title: **Chief Financial Officer**

Dated: November 12, 2010

Star Gas Partners, L.P.
2187 Atlantic St.
Stamford, CT 06902

Entered into 11/8/10 Effective as of 6/1/10

Mr. Daniel P. Donovan

Dear Dan:

This letter confirms your continuing in the position of Chief Executive Officer of Star Gas Partners, L.P. and its subsidiaries (the "Partnership"), effective as of June 1, 2010. In addition, you will continue to serve as the President of the Partnership. We are pleased to offer you the following compensation package and other terms, the levels and conditions of which will be in effect for three years following the date of this letter, unless otherwise modified by agreement between you and the Partnership.

Base Salary: Your base annual salary commencing June 1, 2010 will be \$405,000 per year. You will be paid \$16,875 semi-monthly subject to withholding of all applicable taxes and benefit deductions.

Benefit Coverage: You will be eligible to participate in the Partnership's benefits plans in accordance with their terms and conditions.

Terms: It is understood that your employment is at will and that either party can terminate the relationship at any time. If the Partnership terminates your employment for reasons other than for cause, or you terminate your employment for good reason, you will be entitled to one years salary as severance. Such amount shall be paid to you in a lump sum within 30 days after the termination of your employment. In consideration of this offer you agree that while you are an employee of the Partnership and for twelve months thereafter, you will not compete with the Partnership nor become involved either as an employee, as a consultant or in any other capacity, in the sale of heating oil or propane on a retail basis. You agree that you will not reveal any confidential information concerning the Partnership and that you will not solicit nor seek to hire, employees of the Partnership during that time.

Please indicate your acceptance of this offer by signing and dating this letter below.

Should you have any questions, please do not hesitate to call me.

Sincerely,

/s/ Paul Vermylen, Jr.
Paul Vermylen, Jr.
Chairman

Accepted:

/s/ Dan Donovan
Dan Donovan